

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6246

BILL NUMBER: HB 1287

DATE PREPARED: Feb 2, 1999

BILL AMENDED: Feb 1, 1999

SUBJECT: Mentally Ill Dependent Insurance Coverage.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill adds a dependent child's incapability to self-sustain employment because of mental illness to the reasons that continue hospital and medical coverage to a child under individual and group insurance policies and to policies provided through the Indiana Comprehensive Health Insurance Association (ICHIA). (The introduced version of this bill was prepared by the Indiana Commission on Mental Health.)

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill requires ICHIA to continue to provide insurance coverage to a dependent unmarried child even if the child has reached the age of 19 and the child is incapable of self-sustaining employment by reason of mental illness and while the child is chiefly dependent for support and maintenance upon the person in whose name the contract is issued. The impact on the ICHIA program is expected to be nominal, if any.

The ICHIA program is funded from client premiums, as well as assessments on companies selling health insurance in Indiana. Companies that pay assessments are subsequently able to take a credit against premium taxes, gross income taxes, adjusted gross income taxes, supplemental corporate net income taxes, or any combination of these, equal to the amount of the credit. Although the possibility exists for some increased costs to the ICHIA program, and thus decreased revenues to the state, the impact is expected to be nominal.

Explanation of Local Expenditures: (Revised) The provisions of this bill could affect costs faced by insurance companies that provide group coverage for the employees of local governments and school corporations. Increased premiums arising from these provisions, may or may not result in additional costs to local governments and school corporations, depending upon administrative action as to the determination

of the employer/employee cost share for health plan benefits offered to employees. The impact on local units of government and school corporations would also differ by local unit and the particular benefit plan currently provided to employees. The impact is likely to be nominal.

Explanation of Local Revenues:

State Agencies Affected: Indiana Comprehensive Health Insurance Association (ICHIA)

Local Agencies Affected: Local Governments and School Corporations

Information Sources: Jeff Hannah, Anthem, 488-6225.